CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION HEALTH BENEFITS COMMITTEE MEETING MINUTES

August 19, 2008

The Health Benefits Committee met on Tuesday, August 19, 2008, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:48 p.m. with the following members present:

Priya Mathur, Chair
George Diehr, Vice Chair
Ruth Holton-Hodson representing John Chiang
Rob Feckner
Debbie Endsley representing David Gilb
Henry Jones
Tricia Wynne representing Bill Lockyer
Tony Oliveira
Anne Sheehan

Other Board members present:

Kurato Shimada

AGENDA ITEM 2 – APPROVAL OF JUNE 18, 2008, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The June 18, 2008, Health Benefits Committee meeting minutes were approved as presented.

George Diehr ABSTAINED.

AGENDA ITEM 3A – BLUE SHIELD NETVALUE UPDATE

As an information item, Tom McCaffery and Judy Doneval, Blue Shield of California, presented the current status of the NetValue HMO Plan. Mr. McCaffery discussed the 2009 NetValue network and highlighted several strategies and activities to promote the NetValue plan and to inform members of the network changes.

AGENDA ITEM 4A – ACTUARIAL ASSUMPTION MODEL FOR OTHER POST EMPLOYMENT BENEFITS (INCLUDING POST-RETIREMENT MEDICAL) – REVISION TO EXISTING MODEL

Allan Milligan, Actuarial and Employer Services Branch, presented the proposed amendments to the current Actuarial Assumption Model for Other Post Employment Benefits (OPEB). The assumption model is used in actuarial valuations by employers who choose to pre-fund their OPEB obligations through the California Employers' Retiree Benefit Trust.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to adopt the revisions to the CalPERS OPEB Assumption Model.

AGENDA ITEM 4B – PROPOSED E-PRESCRIBING PROJECT IN THE SELF FUNDED PLAN

As an information item, Patrick Robinson, Health Benefits Branch, and Charles Kennedy, MD, VP, Health Information Technology, Wellpoint, presented current activities in e-Prescribing and how CalPERS can achieve the adoption of e-Prescribing for our members.

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, the Committee recommended the Board support the proposed e-prescribing project and direct staff to move forward on behalf of CalPERS, with no current administrative cost to CalPERS and its members.

AGENDA ITEM 4C – PROPOSED CONTRACT EXTENSION FOR THE HEALTH CARE DECISION SUPPORT SYSTEM (HCDSS) VENDOR

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, presented information on extending the current HCDSS contract to December 31, 2009. Extending the current contract six months will provide continued operations during the reprocurement and additional time to include critical business and technical requirements, as well as, address protest related issues in the new Request for Proposal.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to extend the current Thomson Reuters HCDSS contract for an additional six months to December 31, 2009, to provide continued operations during the re-procurement process.

AGENDA ITEM 4D – PROPOSED HEALTH BENEFITS COMMITTEE CALENDAR FOR 2009

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, provided the Committee with the proposed 2009 Health Benefits Committee meeting dates.

On **MOTION** by George Diehr, **SECONDED** and **CARRIED**, the Committee recommended the Board approve staff's recommendation to approve the proposed 2009 Health Benefits Committee calendar.

AGENDA ITEM 5A – SELF-FUNDED HEALTH PLANS FIRST QUARTER 2008 FINANCIAL REPORT

As an information item, Gary McCollom, Actuarial and Employer Services Branch, presented the 2008 First Quarter Self-Funded Health Plans Financial Report. The ongoing positive financial results for the program assets provide assurance that the rates approved by the Board for the 2008 plan year were sufficient to fund benefits and to maintain adequate reserves.

By direction of the Chair, staff will provide quarterly reports for the CalPERS Health Maintenance Organization plans, in addition to, the self-funded health plans quarterly reports.

AGENDA ITEM 10 – ASSISTANT EXECUTIVE OFFICER REPORT

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, provided information on the Health Benefits Program strategic direction; the Health Benefits Committee's Annual Calendar; and, the Health Benefits Branch Assignment Matrix.

AGENDA ITEM 11 – PROPOSED AGENDA FOR SEPTEMBER 16, 2008, HEALTH BENEFITS COMMITTEE MEETING

The proposed agenda for September 16, 2008, Health Benefits Committee meeting was accepted as presented.

AGENDA ITEM 12 – PUBLIC COMMENT

There was no public comment.

The next meeting of the Committee is scheduled for September 16, 2008, in Sacramento, California, following adjournment of the Benefits and Program Administration Committee.

Kenneth W. Marzion
Interim Chief Executive Officer